



ROBINSON  
GRAY

Litigation + Business

SAMUEL J. WELLBORN

DIRECT 803 231.7829 DIRECT FAX 803 231.7878

swellborn@robinsongray.com

June 26, 2020

**VIA ELECTRONIC FILING**

The Honorable Jocelyn Boyd  
Chief Clerk / Executive Director  
Public Service Commission of South Carolina  
101 Executive Center Drive, Suite 100  
Columbia, SC 29210

Re: Application of Duke Energy Carolinas, LLC for Approval of New Cost Recovery Mechanism and Portfolio of Demand-Side Management and Energy Efficiency Programs  
Docket No. 2013-298-E

Dear Ms. Boyd:

Attached for filing in the above-referenced docket please find the Application of Duke Energy Carolinas, LLC ("DEC" or the "Company") for Approval of Revised Cost Recovery Mechanism for Demand-Side Management and Energy Efficiency Programs ("Application"). The Company's existing Cost Recovery Mechanism ("Mechanism") was approved by the Public Service Commission of South Carolina (the "Commission") in Order No. 2013-889 issued in this docket. The purpose of the instant filing is to propose certain updates and revisions to the existing Mechanism. These updates and revisions include the following, which are described in more detail in the Application:

- Program Approval Revisions: DEC proposes to formally incorporate a program approval process used previously but that is not a part of the existing Mechanism. The process includes a qualitative measure screening and a minimum cost-effectiveness score.
- Net Lost Revenues ("NLR"): DEC proposes modest modifications to NLR provisions, including pilot program requirements, and the implementation of a decision tree to evaluate the inclusion of found revenues in the calculation of NLR.
- Incentives & Penalties: DEC proposes modifications to incentives including: a reduction in the portfolio performance incentive ("PPI") from 11.5% to 10.6%; certain reporting requirements; implementation of a "program return incentive" for programs that are ineligible for a PPI; and the application of a bonus for achieving 1% year-on-year annual energy savings or a penalty for failing to achieve at least 0.5% year-on-year annual energy savings.



ROBINSON  
GRAY

Litigation + Business

As part of the Application, DEC is also filing herewith a complete Mechanism that includes both the current unchanged provisions as well as the revisions requested herein (Application, Appendix B).

The Company proposes to implement the revised Mechanism beginning January 1, 2022.

Kind regards,

Sam Wellborn

Attachments

cc: Parties of Record (via email)  
Heather Shirley Smith, Deputy General Counsel (via email)  
Rebecca J. Dulin, Associate General Counsel (via email)

June 26, 2020  
Page: 2